



Interim Report 2005/2006 中期報告



REXCAPITAL International Holdings Limited

御泰國際控股有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Condensed Consolidated Income Statement

For the six months ended 30 September 2005 (Expressed in Hong Kong dollars)

簡明綜合收益表

截至二零零五年九月三十日止六個月 (以港幣列示)

The board of directors (the "Board") of REXCAPITAL International Holdings Limited (the "Company") hereby announces the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2005.

御泰國際控股有限公司 (「本公司」) 董事會 (「董事會」) 謹此公佈本公司及其附屬公司 (「本集團」) 截至二零零五年九月三十日止六個月之未經審核中期業績。

		Six months ended 30 September 截至九月三十日止六個月		
		2005 二零零五年 (Unaudited) (未經審核)	2004 二零零四年 (Unaudited) (未經審核)	
		\$'000 千元	\$'000 千元	
	Note 附註			
Turnover	營業額	3	22,446	9,026
Other income, net	其他收入淨額	4	1,338	619
Unrealized gain/(loss) on financial assets at fair value through profit or loss	以公允價值列入損益賬之 金融資產未變現 收益/(虧損)		8,695	(16,312)
Cost of financial assets at fair value through profit or loss	以公允價值列入損益賬之 金融資產成本		(33,053)	(10,858)
Staff costs	僱員成本		(6,634)	(1,953)
Amortization of goodwill	商譽攤銷		-	(1,356)
Depreciation	折舊		(1)	(1)
Other operating expenses	其他經營開支		(22,587)	(3,368)
Loss from operations	經營虧損		(29,796)	(24,203)
Finance costs	融資成本	5(a)	(304)	(585)
Loss from ordinary activities before taxation	除稅前日常業務 虧損	5	(30,100)	(24,788)
Taxation	稅項	6	-	-
Loss attributable to shareholders	股東應佔虧損		(30,100)	(24,788)
Loss per share	每股虧損			
Basic and diluted	基本及攤薄	8	(0.109) cents 仙	(1.45) cents 仙

The notes on pages 5 to 17 form part of this interim financial report.

第5至17頁之附註屬本中期財務報告一部份。

Condensed Consolidated Balance Sheet

As at 30 September 2005 (Expressed in Hong Kong dollars)

簡明綜合資產負債表

於二零零五年九月三十日 (以港幣列示)

		At 30 September 2005 於二零零五年 九月三十日 (Unaudited) (未經審核)	At 31 March 2005 於二零零五年 三月三十一日 (Audited) (經審核)
	Note 附註	\$'000 千元	\$'000 千元
ASSETS AND LIABILITIES	資產及負債		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	38	3
Goodwill	商譽	47,890	47,890
Available-for-sales financial assets	可供銷售之金融資產	9	-
		<u>47,928</u>	<u>47,893</u>
Current assets	流動資產		
Financial assets at fair value through profit or loss	以公允價值列入 損益賬之金融資產	6,647	13,388
Trade and other receivables	應收賬款及其他應收款	10	35,954
Tax recoverable	可收回稅項	674	674
Cash at banks and in hand	銀行及手頭現金	281	7,841
		<u>65,749</u>	<u>57,857</u>
Current liabilities	流動負債		
Other payables and accrued charges	其他應付款及應計費用	11	6,386
Amount due to a related party	應付一名有關連人士款項	-	9,395
Provision for taxation	稅項撥備	517	517
Other loans	其他貸款	2,684	6,752
		<u>9,587</u>	<u>19,815</u>
Net current assets	流動資產淨值	<u>56,162</u>	<u>38,042</u>
NET ASSETS	資產淨值	<u>104,090</u>	<u>85,935</u>
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	27,525	27,525
Reserves	儲備	76,565	58,410
		<u>104,090</u>	<u>85,935</u>

The notes on pages 5 to 17 form part of this interim financial report.

第5至17頁之附註屬本中期財務報告一部份。

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2005 (Expressed in Hong Kong dollars)

簡明綜合權益變動表

截至二零零五年九月三十日止六個月(以港幣列示)

		Share capital 股本 \$'000 千元	Share premium 股份溢價 \$'000 千元	Contributed surplus 繳入盈餘 \$'000 千元	Other reserve 其他儲備 \$'000 千元	Share options reserves 購股權儲備 \$'000 千元	Accumulated losses 累計虧損 \$'000 千元	Total 總計 \$'000 千元
At 1 April 2004	於二零零四年四月一日	17,094	432,125	596,248	-	-	(625,184)	420,283
Loss for the period	期內虧損	-	-	-	-	-	(24,788)	(24,788)
At 30 September 2004	於二零零四年九月三十日	<u>17,094</u>	<u>432,125</u>	<u>596,248</u>	<u>-</u>	<u>-</u>	<u>(649,972)</u>	<u>395,495</u>
At 1 April 2005	於二零零五年四月一日	27,525	463,659	596,248	-	-	(1,001,497)	85,935
Other reserve arising from the issue of the warrants, net of expenses	其他因發行認股權證產生之儲備(扣除開支)	-	-	-	24,206	-	-	24,206
Share option reserve arising from the grant of share options	因授出購股權產生之購股權儲備	-	-	-	-	24,049	-	24,049
Loss for the period	期內虧損	-	-	-	-	-	(30,100)	(30,100)
At 30 September 2005	於二零零五年九月三十日	<u>27,525</u>	<u>463,659</u>	<u>596,248</u>	<u>24,206</u>	<u>24,049</u>	<u>(1,031,597)</u>	<u>104,090</u>

The notes on pages 5 to 17 form part of this interim financial report.

第5至17頁之附註屬本中期財務報告一部份。

Condensed Consolidated Cash Flow Statement

For the six months ended 30 September 2005 (Expressed in Hong Kong dollars)

簡明綜合現金流量表

截至二零零五年九月三十日止六個月 (以港幣列示)

		Six months ended 30 September 截至九月三十日止六個月	
		2005 二零零五年 (Unaudited) (未經審核) \$'000 千元	2004 二零零四年 (Unaudited) (未經審核) \$'000 千元
Net cash (used in)/generated from operating activities	經營活動(所用)／所得現金淨額	(18,267)	7,520
Net cash used in investing activities	投資活動所用現金淨額	(36)	—
Net cash generated from/(used in) financing equivalents	融資等價物所得／(所用)現金淨額	10,743	(8,496)
Decrease in cash and cash equivalents	現金及現金等價物之減少	(7,560)	(976)
Cash and cash equivalents at 1 April	於四月一日之現金及現金等價物	7,841	1,217
Cash and cash equivalents at 30 September	於九月三十日之現金及現金等價物	<u>281</u>	<u>241</u>
Analysis of the balances of cash and cash equivalents	現金及現金等價物結餘之分析		
Cash at banks and in hand	銀行及手頭現金	<u>281</u>	<u>241</u>

The notes on pages 5 to 17 form part of this interim financial report.

第5至17頁之附註屬本中期財務報告一部份。

Notes to the Unaudited Condensed Interim Financial Report

(Expressed in Hong Kong dollars)

未經審核簡明中期財務報告附註

(以港幣列示)

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and are compliance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies and methods of computation adopted in the preparation of these unaudited condensed consolidated interim financial statements are the same as those used in the annual financial statements for the year ended 31 March 2005 except for the adoption of a number of new and revised Hong Kong Financial Reporting Standards ("HKFRSs", which also include HKASs and Interpretations) in the current period for the first time as detailed in note 2 to the unaudited condensed consolidated interim financial statements.

1 編製基準及會計政策

本未經審核簡明綜合中期財務報表乃按照香港聯合交易所有限公司證券上市規則（「上市規則」）附錄16之適用披露要求而編製，並符合香港會計師公會所頒佈之香港會計準則（「香港會計準則」）第34號「中期財務報告」之規定。

編製該等未經審核簡明綜合中期財務報表時所採納之會計政策及計算方法，與截至二零零五年三月三十一日止年度之年度財務報表所用者相同，惟如未經審核簡明綜合中期財務報表附註2所詳述，本期間首次採納若干新訂及經修訂香港財務報告準則（「香港財務報告準則」），該準則亦包括香港會計準則及詮釋。

Notes to the Unaudited Condensed Interim Financial Report (continued)

(Expressed in Hong Kong dollars)

未經審核簡明中期財務報告附註 (續)

(以港幣列示)

2 PRINCIPAL ACCOUNTING POLICIES

The adoption of the new and revised HKFRSs which are effective for accounting periods commencing on or after 1 April 2005 has had no material impact on the accounting policies of the Group and the methods of computation in the Group's unaudited condensed consolidated interim financial statements except for the following:

Share-based Payment

In the current period, the Group has applied HKFRS 2 "Share-based Payment" which requires an expenses to be recognized where the Group buys goods or obtains services in exchange for shares or rights over shares ("equity-settled transaction") or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions"). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of share options of the Company determined at the date of grant. Prior to the application of HKFRS 2, the Group did not recognize the financial effect of these share options until they were exercised. The Group has applied HKFRS 2 to share options granted on or after 1 April 2005. In relation to share options granted before 1 April 2005, the Group has not applied HKFRS 2 to share options granted on or before 7 November 2002 and share options that were granted after 7 November 2002 and had vested before 1 April 2005 in accordance with the relevant transitional provisions. The effect of the revised policy has increased consolidated loss for the current period by \$24,049,000 with corresponding amount credited to the reserve. The Group had no share options granted after 7 November 2002 and had not yet vested on 1 April 2005, and accordingly, no retrospective restatement is required.

2 主要會計政策

採納自二零零五年四月一日或之後之會計期間生效之新訂及經修訂香港財務報告準則，對本集團之會計政策及本集團未經審核簡明綜合中期財務報表之計算方法並無重大影響，惟以下各項除外：

以股權付款

於本期間，本集團已採用香港財務報告準則第2號「以股權付款」，規定倘本集團以股份或股份權利換取所購貨品或取得服務（「股權結算交易」），或換取價值相當於指定數目股份或股份權利之其他等值資產（「現金結算交易」），則須確認開支。香港財務報告準則第2號對本集團之主要影響涉及本公司購股權按授出日期釐定之公允價值之支銷。在採用香港財務報告準則第2號前，本集團僅於購股權行使後方會確認該等購股權之財務影響。本集團已對在二零零五年四月一日或之後授出之購股權應用香港財務報告準則第2號。對於在二零零五年四月一日或之前授出之購股權，本集團按照有關過渡條文並未對在二零零二年十一月七日或之前授出之購股權以及在二零零二年十一月七日之後授出但在二零零五年四月一日前歸屬之購股權應用香港財務報告準則第2號。因受政策修訂影響，本期間綜合虧損增加24,049,000元，而相應金額已計入儲備內。本集團並無在二零零二年十一月七日後授出但未在二零零五年四月一日前歸屬之購股權，故毋須作出追溯重列。

Notes to the Unaudited Condensed Interim Financial Report *(continued)*

(Expressed in Hong Kong dollars)

未經審核簡明中期財務報告附註 (續)

(以港幣列示)

2 PRINCIPAL ACCOUNTING POLICIES *(continued)*

Goodwill

In previous periods, goodwill arising on acquisition was capitalized and amortized on a straight-line basis over its estimated useful life. The Group has applied the relevant transitional provision in HKFRS 3. With respect to goodwill previously capitalized on the balance sheet, the Group has discontinued amortizing goodwill from 1 April 2005 onwards and goodwill will be tested for impairment at least annually. Goodwill arising on acquisitions after 1 April 2005 is measured at cost less accumulated impairment losses (if any) after initial recognition. As a result of this change in accounting policy, the Group's loss for the six months ended September 2005 decreased by approximately \$1,356,000 as no amortization of goodwill has been charged in the current period. Comparative figures for 2005 have not been restated.

Financial Instruments

The adoption of HKAS 32 and HKAS 39 has resulted in a change in accounting policy for recognition, measurement, derecognition and disclosure of financial instruments. Previously, the Group's investments in Securities were classified as "Investments in securities" and "Trading securities", respectively. "Investment in securities" are carried at cost less impairment loss (if any), while "Trading securities" were stated in the balance sheet at fair value. Upon the adoption of HKAS 32 and HKAS 39, securities previously held for trading purpose are reclassified as financial assets at fair value through profit or loss, and securities previously held for investment purpose are reclassified as available-for-sale financial assets.

2 主要會計政策 (續)

商譽

過往期間，因收購產生之商譽已被資本化，並按直線法在其估計使用期限內攤銷。本集團已採用香港財務報告準則第3號之有關過渡條文。對於過往在資產負債表資本化之商譽，本集團已自二零零五年四月一日起終止攤銷商譽，而商譽將至少每年進行減值測試。於二零零五年四月一日後因收購產生之商譽於初步確認後按成本減累計減值虧損（如有）計量。由於會計政策出現此項變動，本期間並無扣除商譽攤銷，故本集團截至二零零五年九月止六個月之虧損減少約1,356,000元。二零零五年之比較數字並未重列。

金融工具

採納香港會計準則第32號及香港會計準則第39號已導致確認、衡量、終止確認及披露金融工具之會計政策出現變動。本集團之證券投資過往分別歸類為「證券投資」及「交易證券」。「證券投資」按成本減去減值虧損（如有）列賬，而「交易證券」則以公允價值在資產負債表中列賬。於採納香港會計準則第32號及香港會計準則第39號後，過往持作交易之證券歸類為以公允價值列入損益賬之金融資產，而過往持作投資之證券則歸類為可供銷售之金融資產。

Notes to the Unaudited Condensed Interim Financial Report *(continued)*

(Expressed in Hong Kong dollars)

未經審核簡明中期財務報告附註 (續)

(以港幣列示)

2 PRINCIPAL ACCOUNTING POLICIES *(continued)*

Financial Instruments *(continued)*

In accordance with HKAS 39, the financial assets at fair value through profit or loss are measured at fair value with gains or losses arising from changes in fair value credited or charged to the consolidated profit and loss account for the period in which they arise. Available-for-sale financial assets are those non-derivative investments in listed and unlisted equity securities that are designated as available for sale or are not classified in any of the other categories of financial assets as defined in HKAS 39. After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognized as a separate component of equity until the financial asset is sold, collected or otherwise disposed of or until the financial asset is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the consolidated profit and loss account.

This change in accounting policy has no material impact on the unaudited condensed consolidated interim financial statements.

3 SEGMENT REPORTING

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

Turnover represents the aggregate of servicing fees receivable from the provision of investment advisory and capital market advisory services, proceeds from sales of trading securities and interest income from money lending business for the period.

Business segments

The Group comprises the following main business segments:

Strategic investments and capital market activities:

- Participation in primary and secondary securities market and provision of capital market advisory services

2 主要會計政策 (續)

金融工具 (續)

根據香港會計準則第39號，以公允價值列入損益賬之金融資產以公允價值計量，而公允價值變動產生之盈虧則計入產生期間之綜合損益賬或自該綜合損益賬內扣除。可供銷售之金融資產乃指定為可供銷售或不屬於香港會計準則第39號界定之任何其他金融資產類別之上市或非上市股本證券之非衍生工具。於初步確認後，可供銷售之金融資產以公允價值計量，而盈虧則確認作股本之獨立部份，直至金融資產被出售、收回或以其他方式處置，或直至金融資產被釐定出現減值為止，此時，過往在股本中呈報之累計盈虧則被計入綜合損益賬。

此項會計政策變動並無對未經審核簡明綜合中期財務報表產生重大影響。

3 分部呈報

分部資料按本集團之業務及經營地區分佈劃分。由於與本集團內部財務申報制度較為符合，故此選擇以業務分部資料為本集團之主要呈報方式。

營業額指期內提供投資顧問及資本市場顧問服務之應收服務費、交易證券之銷售收益及貸款業務之利息收入之總額。

業務分部

本集團之主要業務分部如下：

策略性投資及資本市場活動：

- 參與主要及次要證券市場與提供資本市場顧問服務

Notes to the Unaudited Condensed Interim Financial Report (continued)
(Expressed in Hong Kong dollars)

未經審核簡明中期財務報告附註 (續)
(以港幣列示)

3 SEGMENT REPORTING (continued)

Business segments (continued)

Financing:

- Provision of commercial and personal loans

3 分部呈報 (續)

業務分部 (續)

融資：

- 提供商業及個人貸款

		Strategic investments and capital market activities		Financing		Consolidated	
		2005	2004	2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
Six months ended	截至九月三十日						
30 September	止六個月						
Revenue from external customers	來自外界客戶之收入	20,696	7,502	1,750	1,524	22,446	9,026
Segment results	分部業績	(24,576)	(24,384)	1,745	1,522	(22,831)	(22,862)
Unallocated operating income and expenses	未分配經營收入及費用					(6,965)	(1,341)
Loss from operations	經營虧損					(29,796)	(24,203)
Finance costs	融資成本					(304)	(585)
Loss from ordinary activities before taxation	除稅前日常業務虧損					(30,100)	(24,788)
Taxation	稅項					-	-
Loss attributable to shareholders	股東應佔虧損					(30,100)	(24,788)
Depreciation and amortization for the period	期內折舊及攤銷	1	1	-	-	1	1

The Group did not have any inter-segment sales during either period.

Geographical segments

The Group participates in two principal economic environments: Hong Kong and other areas of China.

本集團於兩個期間均無分部業務間之銷售。

地區分部

本集團在兩個主要經濟地區經營：香港及中國其他地區。

Notes to the Unaudited Condensed Interim Financial Report (continued)

(Expressed in Hong Kong dollars)

未經審核簡明中期財務報告附註 (續)

(以港幣列示)

3 SEGMENT REPORTING (continued)

Geographical segments (continued)

In presenting information on the basis of geographical segments, segment revenue is based on the country where the contract is signed or the order is placed.

3 分部呈報 (續)

地區分部 (續)

在呈列地區分部資料時，分部收入是以簽定合約或作出指示之國家為計算基準。

	Hong Kong 香港		Other areas of China 中國其他地區		Consolidated 綜合	
	2005	2004	2005	2004	2005	2004
	二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	千元	千元	千元	千元	千元	千元
Six months ended	截至九月三十日					
30 September	止六個月					
Revenue from external customers	來自外界客戶之收入					
	2,003	1,844	20,443	7,182	22,446	9,026
Segment result	分類業績					
	(18,907)	(1,856)	(3,924)	(21,006)	(22,831)	(22,862)

4 OTHER INCOME, NET

4 其他收入淨額

		Six months ended 30 September 截至九月三十日止六個月	
		2005 二零零五年	2004 二零零四年
		\$'000 千元	\$'000 千元
Reversal of bad debt provision	壞賬撥備撥回	-	233
Secondment services	借調服務	1,311	383
Others	其他	27	3
		1,338	619

Notes to the Unaudited Condensed Interim Financial Report (continued)

(Expressed in Hong Kong dollars)

未經審核簡明中期財務報告附註 (續)

(以港幣列示)

5 LOSS FROM ORDINARY ACTIVITIES BEFORE TAXATION

Loss from ordinary activities before taxation is arrived at after charging:

5 除稅前日常業務虧損

除稅前日常業務虧損已扣除：

		Six months ended 30 September 截至九月三十日止六個月	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
(a) Finance costs:	(a) 融資成本：		
Interest on bank loans and overdrafts and other loans repayable within five years	須於五年內償還之銀行貸款及透支與其他貸款之利息	304	585
(b) Other items:	(b) 其他項目：		
Bad debts provision	壞賬撥備	-	1,285
Operating lease charges in respect of properties	有關物業的經營租賃費用	214	291
Staff costs (including directors' remuneration):-	員工成本(包括董事酬金)：		
Contributions to defined contribution plan	固定計劃供款	60	51
Wages, salaries and allowances	工資、薪金及津貼	2,904	1,902
Equity-settled share-based transactions	以股權結算之股份交易	3,670	-

6 TAXATION

No provision for Hong Kong profits tax has been made in the financial statements as the Group either sustained a loss for taxation purposes or did not earn any assessable income for the period ended 30 September 2005 (2004 : \$Nil).

No provision for overseas taxation has been made as there is no assessable profit for overseas tax purpose for both periods.

6 稅項

由於截至二零零五年九月三十日止期間，本集團在計算稅項方面錄得虧損或並無賺取任何應課稅收入，因此並無於財務報表中就香港利得稅作出撥備。(二零零四年：零元)。

由於上述兩段期間內概無海外稅項之應課稅溢利，因此並無就海外稅項作出撥備。

Notes to the Unaudited Condensed Interim Financial Report (continued)

(Expressed in Hong Kong dollars)

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(以港幣列示)

6 TAXATION (Continued)

As at 30 September 2005, the Group had potential net deferred tax asset principally resulting from estimated tax losses. The potential net deferred tax asset has not been recognized in the financial statements, as it is uncertain that these tax losses could be utilized in the foreseeable future.

7 DIVIDEND

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30 September 2005 (2004: \$Nil).

8 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the Group's loss attributable to shareholders of \$30,100,000 (2004: \$24,788,000) and the weighted average number of ordinary shares of 2,752,451,858 shares (2004: 1,709,399,471 shares) in issue during the six months ended 30 September 2005.

(b) Diluted loss per share

Diluted loss per share for the period ended 30 September 2005 is not presented because the effect of all potential ordinary shares is anti-dilutive.

9 AVAILABLE-FOR-SALES FINANCIAL ASSETS

Unlisted equity securities, at cost	非上市股本證券，按成本入賬
Less: provision for diminution in value	減：減值撥備

6 稅項 (續)

於二零零五年九月三十日，本集團之潛在遞延稅項資產淨值主要產生自估計稅務虧損。由於不能確定是否可於可見將來動用該等稅務虧損，故潛在遞延稅項資產淨值並未於財務報表確認。

7 股息

董事會並不建議派發截至二零零五年九月三十日止六個月之中期股息（二零零四年：零元）。

8 每股虧損

(a) 每股基本虧損

每股基本虧損乃根據本集團截至二零零五年九月三十日止六個月之股東應佔虧損30,100,000元（二零零四年：24,788,000元）及已發行普通股之加權平均數2,752,451,858股（二零零四年：1,709,399,471股）計算。

(b) 每股攤薄虧損

由於所有普通股具有潛在反攤薄影響，因此並無呈列截至二零零五年九月三十日止期間之每股攤薄虧損。

9 可供銷售之金融資產

	At 30 September 2005 於二零零五年 九月三十日 \$'000 千元	At 31 March 2005 於二零零五年 三月三十一日 \$'000 千元
	109,200	109,200
	(109,200)	(109,200)
	-	-

Notes to the Unaudited Condensed Interim Financial Report (continued)

(Expressed in Hong Kong dollars)

未經審核簡明中期財務報告附註 (續)

(以港幣列示)

10 TRADE AND OTHER RECEIVABLES

An aging analysis of trade receivables (net of specific allowances for bad and doubtful debts) included in trade and other receivables are as follows:

		At 30 September 2005 於二零零五年 九月三十日	At 31 March 2005 於二零零五年 三月三十一日
	Note 附註	\$'000 千元	\$'000 千元
Within 3 months	於三個月內	8,573	1,005
More than 3 months but less than 6 months	多於三個月但 於六個月內	5,044	444
More than 6 months but less than 1 year	多於六個月但 於一年內	19,698	29,738
Total trade receivables	應收賬款總額	33,315	31,187
Deposits, prepayments and other receivables	訂金、預付款及 其他應收款項	24,832	4,767
		58,147	35,954

Notes:

- (a) Included in trade receivables are loan receivables amounted to \$33,270,000 (31 March 2005: \$31,020,000) arising from the money lending business. The loan receivables are unsecured and bear interest at prime rate plus 5% per annum. The credit terms granted to the customers by the Group range from six months to twelve months.
- (b) All of the deposits, prepayments and other receivables are expected to be recovered within one year.

10 應收賬款及其他應收款項

包括於應收賬款及其他應收款項中之應收賬款(已扣除呆壞賬特別撥備)之賬齡分析如下:

	At 30 September 2005 於二零零五年 九月三十日	At 31 March 2005 於二零零五年 三月三十一日
	\$'000 千元	\$'000 千元
Within 3 months	8,573	1,005
More than 3 months but less than 6 months	5,044	444
More than 6 months but less than 1 year	19,698	29,738
Total trade receivables	33,315	31,187
Deposits, prepayments and other receivables	24,832	4,767
	58,147	35,954

附註:

- (a) 應收賬款中包括產生自借款業務之應收貸款33,270,000元(二零零五年三月三十一日:31,020,000元)。應收貸款為無抵押並按最優惠利率加5厘計算利息。本集團授予客戶之信貸期一般由半年至一年。
- (b) 所有訂金、預付款及其他應收款項預期將於一年內收回。

Notes to the Unaudited Condensed Interim Financial Report (continued)

(Expressed in Hong Kong dollars)

未經審核簡明中期財務報告附註 (續)

(以港幣列示)

11 OTHER PAYABLES AND ACCRUED CHARGES

11 其他應付款及應計費用

	At 30 September 2005 於二零零五年 九月三十日 \$'000 千元	At 31 March 2005 於二零零五年 三月三十一日 \$'000 千元
Other payables and accrued charges	6,386	3,151

All the other payables and accrued charges are expected to be settled within one year.

所有其他應付款及應計費用預期可於一年內繳付。

12 COMMITMENTS

In August 2005, the Company entered into an agreement with Culture.com Technology Limited ("CTL") to subscribe for 10% interest in CTL which is principally engaged in research and development of Chinese information infrastructure, including amongst other things, Chinese Character Generating Engine ("CCGE"); V-Dragon series of CPU and solutions for related computer applications. The consideration for the subscription shall be the lower of \$73,500,000 or the 10% of the fair value of CTL stated in the valuation report to be issued by an independent professional consultant appointed by the Company, and will be satisfied by the issue of new shares of the Company at the price of \$0.15 per share.

Saved as the above, the Group has no material commitment as at 30 September 2005

12 承擔

二零零五年八月，本公司與文化傳信科技有限公司（「文化傳信科技」）訂立協議，認購文化傳信科技之10%權益，該公司主要從事中文資訊基建研究及開發業務，其中包括中文智能造字引擎（「CCGE」）、V-Dragon CPU系列及有關電腦應用程式之解決方案。認購代價須為73,500,000元或本公司委任之獨立專業顧問發出之文化傳信科技公平值之10%之較低者，並將透過按每股0.15元之價格發行本公司之新股償付。

除上述者外，本集團於二零零五年九月三十日並無重大承擔。

13 OUTSTANDING LITIGATION

Significant litigation outstanding as at 30 September 2005 and up to the date of this interim financial report is summarized as follows:

On 21 September 1999, a former director of the Company, Mr Wong Chong Shan, commenced proceedings in the High Court against the Company claiming a sum of \$5,000,000. Mr Wong Chong Shan alleged that he paid the said sum on the Company's behalf in August 1997 to a third party as deposit and that the Company failed to make repayment to him. The Directors have considered the matter and are of the opinion that since no positive steps have been taken by Mr Wong Chong Shan to proceed with the action since June 2000, it is not necessary at this stage to make a provision in the financial statements for these proceedings.

13 尚未完結之訴訟

於二零零五年九月三十日及截至本中期財務報告日期為止之尚未完結重大訴訟概述如下：

於一九九九年九月二十一日，本公司之前任董事黃創山先生於高等法院提出向本公司索償合共5,000,000元。黃創山先生宣稱於一九九七年八月代表本公司向第三方支付該筆款項作為按金，惟本公司並未向其償還該筆款項。經考慮有關事宜後，董事認為由於黃創山先生自二零零零年六月後並無就有關訴訟採取任何行動，故認為在現階段毋須就此於財務報表中作出撥備。

Notes to the Unaudited Condensed Interim Financial Report (continued)

(Expressed in Hong Kong dollars)

未經審核簡明中期財務報告附註 (續)

(以港幣列示)

14 RELATED PARTY TRANSACTIONS

Particulars of related party transactions are as follows:

			Six months ended 30 September 截至九月三十日止 六個月	
			2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
		Note 附註		
Secondment fee income	借調費用收入	(a)	1,311	383
Interest expense	利息開支			
– other loans, unsecured	– 其他貸款 (無抵押)	(b)	101	–
– other loan, secured	– 其他貸款 (有抵押)	(c)	17	–
– convertible notes	– 可換股票據	(d)	–	451
			118	451
Commission	佣金	(e)	24	7
Operating lease charges in respect of properties	物業之經營租賃費用	(f)	–	291

Particulars of material balances with related parties are as follows:

			At 30 September 2005 於二零零五年 九月三十日 \$'000 千元	At 31 March 2005 於二零零五年 三月三十一日 \$'000 千元
		Note 附註		
Unsecured and interest bearing loans from a related company	一間關連公司之無抵押及 附息貸款	(b)	461	3,965
Convertible notes interest payable	應付可換股票據利息	(d)	–	335
Amount due to a related party	應付予關連人士之款項	(d)	–	9,060

Notes:

- (a) During the six months ended 30 September 2005, secondment fee income was received from a related company as certain staff members employed by the Group were seconded to provide services to the related company (2004: \$383,000).

關連人士交易詳情如下:

			Six months ended 30 September 截至九月三十日止 六個月	
			2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
		Note 附註		
Secondment fee income	借調費用收入	(a)	1,311	383
Interest expense	利息開支			
– other loans, unsecured	– 其他貸款 (無抵押)	(b)	101	–
– other loan, secured	– 其他貸款 (有抵押)	(c)	17	–
– convertible notes	– 可換股票據	(d)	–	451
			118	451
Commission	佣金	(e)	24	7
Operating lease charges in respect of properties	物業之經營租賃費用	(f)	–	291

與關連人士之重大結餘詳情如下:

			At 30 September 2005 於二零零五年 九月三十日 \$'000 千元	At 31 March 2005 於二零零五年 三月三十一日 \$'000 千元
		Note 附註		
Unsecured and interest bearing loans from a related company	一間關連公司之無抵押及 附息貸款	(b)	461	3,965
Convertible notes interest payable	應付可換股票據利息	(d)	–	335
Amount due to a related party	應付予關連人士之款項	(d)	–	9,060

附註:

- (a) 截至二零零五年九月三十日止六個月，借調費用收入乃向一間關連公司收取，原因是本集團聘用之若干員工被借調以提供服務予該關連公司 (二零零四年：383,000元)。

Notes to the Unaudited Condensed Interim Financial Report (continued)

(Expressed in Hong Kong dollars)

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(以港幣列示)

14 RELATED PARTY TRANSACTIONS (continued)

- (b) During the six months ended 30 September 2005, short-term loans were advanced to the Group by a related company (the "Lender"). The loans due to the Lender is unsecured, interest bearing at prime rate plus 3% per annum and has no fixed repayment terms.

Interest expense paid to the Lenders for the six months ended 30 September 2005 amounted to \$101,000 (2004: \$Nil).

- (c) During the six months ended 30 September 2005, a short-term loan was advanced to the Group by a related company. The loan due to this related company is interest bearing at prime rate plus 3% per annum. As at period ended 30 September 2005, the loan was fully repaid.

Interest expense payable to this related company for the six months ended 30 September 2005 amounted to \$17,000 (2004: \$Nil).

- (d) As at 30 September 2004, there were 2% Notes of \$45,000,000 remained outstanding. Before on 13 December 2004, the maturity date, Convertible notes of \$25,000,000 were converted into ordinary shares of the Company and the remaining \$20,000,000 became payable in full as none of them were converted into ordinary shares of the Company and were then transferred to other loans. \$10,940,000 was repaid before 31 March 2005 and \$9,060,000 which was included in amounts due to a related party as at 31 March 2005. This amount was paid during the period.

As at 31 March 2005, convertible notes interest payable to a related company amounted to \$335,000 (30 September 2005: Nil).

No interest was payable to that related company for the period ended 30 September 2005 (2004: \$451,000).

14 關連人士交易 (續)

- (b) 截至二零零五年九月三十日止六個月，一間關連公司（「借款人」）向本集團借出短期貸款。應償還予借款人之貸款為無抵押並以最優惠利率加3厘收取利息，且無固定還款期。

截至二零零五年九月三十日止六個月，支付予借款人之利息開支為101,000元（二零零四年：零元）。

- (c) 截至二零零五年九月三十日止六個月，一間關連公司向本集團借出短期貸款。欠負該關連公司之貸款按最優惠利率加3厘收取利息。於二零零五年九月三十日，該貸款已全數償還。

截至二零零五年九月三十日止六個月，應付予該關連公司之利息開支為17,000元（二零零四年：零元）。

- (d) 於二零零四年九月三十日，45,000,000元之2厘票據尚未兌換。於二零零四年十二月十三日（即期滿日）之前，25,000,000元之可換股票據已兌換為本公司普通股，餘下20,000,000元之可換股票據因概無兌換為本公司普通股而將悉數償付，並已轉撥入其他貸款。10,940,000元已於二零零五年三月三十一日前償付，9,060,000元包括於二零零五年三月三十一日應付一關連人士之款項內。該筆款項已於期內償付。

於二零零五年三月三十一日，應付一間關連公司之可換股票據利息為335,000元（二零零五年九月三十日：零元）。

截至二零零五年九月三十日止期間，並無應付予該關連公司任何利息（二零零四年：451,000元）。

14 RELATED PARTY TRANSACTIONS (continued)

- (e) During the period ended 30 September 2005, trading securities were bought and sold through a related company (the "Broker Firm"). The purchases and sales of trading securities through the Broker Firm for the six months ended 30 September 2005, excluding any commission expense, amounted to \$4,537,000 (2004: \$540,000) and \$5,074,000 (2004: \$1,488,000) respectively.

Commission expense incurred in respect of the sales and purchases of trading securities amounted to \$24,000 for the six months ended 30 September 2005 (2004: \$7,000).

- (f) During the six months ended 30 September 2005, no operating lease charges by a related company for the use of office premises (2004: \$291,000).

Mr Chan How Chung, Victor, a director and a major shareholder of the Company, is a director of the related companies referred to in notes (a) to (b), (d) and (f), and a beneficial shareholder of the related companies referred to in notes (a) to (f).

Miss Lee Huei Lin, a director of the Company, is a director of the related companies in notes (a) to (f). This Director is also a beneficial shareholder of the related companies in notes (b) and (d).

15 PLEDGE OF ASSETS

As at 30 September 2005, listed investments with market value of \$6,626,000 were pledged to secure other loans granted to the Group (31 March 2005: \$11,018,000).

16 COMPARATIVE FIGURE

Certain comparative amounts have been reclassified and restated to comply with the new and revised HKFRSs' requirements and conform with the current period's presentation.

14 關連人士交易 (續)

- (e) 截至二零零五年九月三十日止期間，本集團透過一間關連公司（「經紀行」）買賣交易證券。截至二零零五年九月三十日止六個月，不包括佣金開支在內，透過經紀行買賣之交易證券之數額分別為4,537,000元（二零零四年：540,000元）及5,074,000元（二零零四年：1,488,000元）。

截至二零零五年九月三十日止六個月，買賣交易證券所產生之佣金開支為24,000元（二零零四年：7,000元）。

- (f) 截至二零零五年九月三十日止六個月，並無就使用辦公室物業而應付予一間關連公司之經營租賃費用（二零零四年：291,000元）。

本公司董事兼主要股東陳孝聰先生為附註(a)至(b)、(d)及(f)所述關連公司之董事及附註(a)至(f)所述關連公司之實益股東。

本公司董事李慧玲小姐為附註(a)至(f)所述關連公司之董事。該董事亦為附註(b)及(d)所述關連公司之實益股東。

15 資產抵押

於二零零五年九月三十日，市值約6,626,000元之上市投資已作抵押，以獲取授予本集團之其他貸款（二零零五年三月三十一日：11,018,000元）。

16 比較數字

若干比較數字已重新分類並重列，以符合新訂及經修訂之香港財務報告準則，並配合本期間之呈報方式。

BUSINESS REVIEW AND PROSPECTS

During the period under view, the Group's operating loss was increased by HK\$5,312,000 to HK\$30,100,000 mainly due to the adoption of the HKFRS 2 in respect of Share-based Payment. As a result, the staff cost and consultancy fee which included in other operating expenses were additionally increased by HK\$3,670,000 and HK\$20,379,000 respectively due to the grant of share options. If such factor was taken out, the Group's operating result was in fact improved and loss was narrowed, mainly due to contributions from its core businesses of strategic investments and capital market activities. In May 2005, the Group made a decision to terminate the acquisition of the entire issued share capital of REXCAPITAL Financial Group Limited. In addition, two-year warrants were placed to raise approximately HK\$24 million in June 2005. It provides greater flexibility for further funding when the subscription rights attached to the warrants are exercised. The Group will continue to look for investment opportunities which arise from the continued pick-up economy.

Strategic Investments and Capital Market Activities

The Group recorded a significant increase in turnover of securities investments and corporate finance business, which performed well during the period under review. It is mainly attributable to improved market sentiment in Hong Kong, which can be seen from the benchmark Hang Seng Index rallying from a low of 13,337 in April to a high of 15,470 in September this year. On 30 August 2005, the Group entered into the Share Subscription Agreement with CTL to subscribe 10% of its shares, as part of the Group's strategic investments, for enhancing the earning potential and recurrent income base of the Group in the long run.

Financing Business

The financing business commenced in early 2004. In light of stable domestic economic upturn and hence strengthened market confidence, the Group continued to record encouraging results in financing services. The growth of financial needs of market participants has generated higher interest income for the Group. For the period under review, turnover from this business segment accounted for 8% of the total turnover of the Group. We always aim to adopt a prudent and conservative financing policy and a stringent credit control system in order to protect the interests of our shareholders.

業務回顧及展望

於回顧期內，本集團之經營虧損增加5,312,000港元至30,100,000港元，主要由於採用香港財務報告準則第2號有關以股權付款。因此，鑑於授出購股權，僱員成本及列入其他經營開支之顧問費分別額外增加3,670,000港元及20,379,000港元。倘撇除上述因素，本集團之經營業績實際有所改善，致令虧損收窄，收入貢獻主要來自本集團策略性投資及資本市場之核心業務。於二零零五年五月，本集團決定終止收購御泰金融控股有限公司全部已發行股本。此外，本集團於二零零五年六月配售兩年期認股權證，集資所得約24,000,000港元，而當認股權證所附認購權被行使時，將為未來籌集資金提供更大靈活性。本集團會繼續在持續復甦的經濟環境中物色合適的投資機會。

策略性投資及資本市場業務

本集團之證券投資及企業融資業務於回顧期內表現令人滿意，營業額錄得明顯的升幅；這主要受本港整體投資氣氛轉好所帶動，期內恆生指數由本年四月13,337點低位攀升至九月15,470點高位。本集團於二零零五年八月三十日與文化傳信科技訂立股份認購協議，認購文化傳信科技已發行股本的10%作為本集團的策略性投資，藉此加強本集團長期的盈利能力及經常性收入基礎。

融資業務

融資業務於二零零四年初開始營運。隨著本地經濟穩定起飛，增強市場信心，本集團之融資服務繼續錄得令人鼓舞的業績。市場參與者對資金需求增加，為本集團帶來更高利息收入。於回顧期內，融資業務的營業額佔本集團總營業額8%。我們一如以往採取謹慎保守的融資政策及嚴格的控制信貸系統，以保障股東的利益。

Placing of Listed Warrants

In June 2005, the Company issued up to a maximum of 550,000,000 listed warrants by way of private placing at the issue price of HK\$0.046, each conferring the right to subscribe for one new share at the initial exercise price of HK\$0.116 up to an aggregate amount of HK\$63,800,000 at any time during the period from 4 July 2005 to 3 July 2007. No warrants have been exercised during the financial period.

Solar Energy Business

In July 2005, the Group announced to acquire the entire issued share capital of Eaglefly Technology Limited (“Eaglefly”) for a total consideration of approximately HK\$123 million. The Group, through Eaglefly, will hold a 51% equity interest in Terra Solar Global Inc. and its subsidiaries (the “Terra Solar Group”) upon completion of the Transaction. Terra Solar Group is a specialized technology developer and has been dedicated to photovoltaic (PV) development and manufacture of solar power facilities. Given the increasing demand in energy and the decline in fossil-fuels reserves, the Group believes that environmental friendly power can bring long-term business opportunities. We consider the acquisition as a rare and commendable investment to reach out the fast going and highly rewarding energy business, that will strengthen the Group’s earnings.

Looking Ahead

We have a positive outlook on Hong Kong economy for the coming year under the decline of unemployment rate and strong performance of tourism, especially the opening of Hong Kong Disneyland, which attracts capital inflow to local market and leads to improvement in consumer spending and retail sales.

The U.S. interest rate is of primary importance in global economy. The rate has increased 13 times consecutively and the market expects its upward cycle may come to an end, which augurs well for the equities. Another factor affecting global economy is oil price. Although high oil prices appear to be over and begin to fall, volatile oil prices may bring uncertainties to investment sentiment in Hong Kong. Given fluctuating oil prices and worldwide growing demand for energy, the potential development in solar power projects is expected. The Group believes that the investment in the Terra Solar Group will broaden its earning base and is favourable for the Group’s long-term development. We have confidence that the Group will achieve better performance in the second half of the year.

配售上市認股權證

於二零零五年六月，本公司通過按發行價0.046港元進行私人配售發行最多550,000,000份上市認股權證，各賦予權利於二零零五年七月四日至二零零七年七月三日期間內任何時間按初步行使價0.116港元認購一股新股，最高認購額合共為63,800,000港元。於該財政期間概無認股權證獲行使。

太陽能業務

於二零零五年七月，本集團宣佈以總代價約123,000,000港元收購Eaglefly Technology Limited (「Eaglefly」) 全部已發行股本。於完成交易後，本集團將透過Eaglefly持有Terra Solar Global Inc. 及其附屬公司 (「Terra Solar集團」) 51%權益。Terra Solar集團是一家專業的科技發展商，不斷致力發展光伏系統及製造太陽能設備。鑑於能源需求上升，以及化石燃料的資源下降，本集團相信發展環保能源是一項長遠的商機；故此，本集團認為這項收購是一個難能可貴的投資機會，既能踏足發展這項高增長、高回報的能源行業，又能強化本集團之盈利。

展望未來

在本港失業率下調及旅遊業的強勢表現下，我們對經濟前景感到樂觀，尤以香港迪士尼樂園開幕後，吸引資金流入本港，有助進一步推動消費開支及零售業。

美國息率左右全球經濟，在連續十三次加息後，市場預期整個加息週期將會結束，這是股市轉好之先兆；另一個影響全球經濟的因素為油價。縱然油價高企已漸成過去，並有開始回落的跡象，惟油價波動會令香港投資氣氛更不明朗。鑑於油價的變動及全球對能源的需求不斷上升，太陽能項目具備發展潛能。本集團相信，透過於Terra Solar集團之投資，可擴闊收入基礎，並為長遠盈利能力帶來正面影響。我們有信心本集團於下半年度能獲取更理想之業績。

FINANCIAL REVIEW

Results

For the six months ended 30 September 2005, the Group recorded a turnover of HK\$22,446,000 (2004: HK\$9,026,000). Loss attributable to shareholders was HK\$30,100,000 (2004: HK\$24,788,000). The basic loss per share was 0.109 cents (2004: 1.45 cents). The diluted loss per share for 2005 and 2004 were not applicable.

After taken out the effect of the adoption of the HKFRS 2 in respect of Share-based Payment, the Group's operating expenses decreased by 3% to HK\$5,173,000 for the review period in comparison with last year (2004: HK\$5,322,000). Finance costs of the Group for the six months period ended 30 September 2005 was HK\$304,000 representing a decrease of 48% from the corresponding period in last year. The decrease was mainly due to repayment of loans.

Liquidity, Financial Resources and Funding

At 30 September 2005, the Group had net current assets of HK\$56,162,000 (31 March 2005: HK\$38,042,000).

At 30 September 2005, the Group had a total of HK\$281,000 in cash and cash equivalents (31 March 2005: HK\$7,841,000). The decrease was due to the repayment of other loans and amount due to a related company. Most of the cash reserves were placed in Hong Kong dollar short-term deposits with major banks in Hong Kong.

Net cash used in operating activities for the six months ended 30 September 2005 was HK\$18,267,000 as compared to a net cash inflow of HK\$7,520,000 for the six months ended 30 September 2004. The decrease was mainly due to the deposit paid for the acquisition of strategic investments HK\$24,832,000. Net cash inflow from financing activities for the six months ended 30 September 2005 was HK\$10,743,000 (2004: outflow of HK\$8,496,000). The cash inflow from financing activities during this period represented the proceeds received from the issue of warrants placing in June 2005 net of the repayment of amount due to a related party and other loans.

財務回顧

業績

截至二零零五年九月三十日止六個月，本集團錄得營業額為22,446,000港元（二零零四年：9,026,000港元），股東應佔虧損為30,100,000港元（二零零四年：24,788,000港元）。每股基本虧損為0.109仙（二零零四年：1.45仙），而二零零五年及二零零四年每股攤薄虧損均不適用。

撇除採納香港財務報告準則第2號有關以股權付款之影響後，本集團於回顧期間之經營開支與去年相比下降3%至5,173,000港元（二零零四年：5,322,000港元）。本集團截至二零零五年九月三十日止六個月之融資成本為304,000港元，較上年度同期減少48%。融資成本減少，主要是由於償還貸款所致。

流動資金、財務資源及資金

於二零零五年九月三十日，本集團之流動資產淨值為56,162,000港元（二零零五年三月三十一日：38,042,000港元）。

於二零零五年九月三十日，本集團之現金及現金等價物為281,000港元（二零零五年三月三十一日：7,841,000港元），現金及現金等價物減少乃由於償付其他貸款及應付一間關連公司之款項所致。大部份現金儲備以港幣短期存款方式存放於香港主要銀行。

截至二零零五年九月三十日止六個月之經營業務所用現金淨額為18,267,000港元，而截至二零零四年九月三十日止六個月之現金流入淨額為7,520,000港元。此減幅主要是由於就收購策略性投資項目支付之按金24,832,000港元所致。截至二零零五年九月三十日止六個月之融資業務現金流入淨額為10,743,000港元（二零零四年：流出8,496,000港元）。該期間之融資業務現金流入為於二零零五年六月發行認股權證之所得款項扣除償付應付一關連人士款項及其他貸款。

As at 30 September 2005, the Group had outstanding loans of HK\$2,684,000 which included a secured loans of HK\$2,223,000 (31 March 2005: HK\$2,787,000) and an unsecured loan of HK\$461,000 (31 March 2005: HK\$3,965,000). The loans were denominated in Hong Kong dollars and interest bearing at prevailing commercial lending rates. These loans were used to finance the Group's operations.

The gearing ratio of the Group decreased to 3% as at 30 September 2005 from 19% as at 31 March 2005 (it is derived by dividing the aggregate amount of bank borrowings, convertible notes and other borrowings by the amount of shareholders' equity). The liquidity ratio of the Group, represented by a ratio between current assets over current liabilities, was 686% (31 March 2005: 292%), reflecting adequacy of financial resources.

The indebtedness of the Group decreased by 83% from HK\$16,147,000 as at 31 March 2005 to HK\$2,684,000 as at 30 September 2005. Of the total debts outstanding as at 30 September 2005, all of them are due within one year (31 March 2005: all of them are due within one year).

Taking into account the financial resources available to the Group including internally generated funds and available facilities, the Group has sufficient working capital to meet its present requirements.

As set out in the annual report of the Company for the year ended 31 March 2005, the Group has made a provision of HK\$350,000,000 that represented the non-payment of the consideration from the disposal of the Group's interest in 87.5% of the issued shares in REXCAPITAL Infrastructure Limited. The amount provided was written off in its entirety in the year ended 31 March 2005 which has no financial impact on the Company during the period covered in the interim report.

Funding Strategy and Foreign Exchange Exposure

To manage the risk associated with an uncertain market environment, the Group pursues a funding strategy of using equity as far as possible to finance long-term investments.

The Group's exposure to a very limit level of exchange risk as the business transactions of the Group are mainly denominated in Hong Kong dollars.

於二零零五年九月三十日，本集團之未償還貸款為2,684,000港元，包括有抵押貸款2,223,000港元（二零零五年三月三十一日：2,787,000港元）及無抵押貸款461,000港元（二零零五年三月三十一日：3,965,000港元）。該等貸款以港元為單位，並按現行商業借貸利率計息，用作本集團營運資金。

本集團之負債比率（將銀行貸款、可換股票據及其他借貸總額除以股東權益）由二零零五年三月三十一日之19%下降至截至二零零五年九月三十日之3%。本集團以流動資產除以流動負債計算之流動資金比率為686%（二零零五年三月三十一日：292%），反映財務資源充裕。

本集團之債務由二零零五年三月三十一日之16,147,000港元減少83%至二零零五年九月三十日之2,684,000港元。於二零零五年九月三十日之未償還債項總額中，全部均須於一年內償還（二零零五年三月三十一日：全部須於一年內償還）。

考慮到本集團可動用之財務資源，包括內部資金及可動用之貸款，本集團有足夠營運資金應付目前所需。

誠如截至二零零五年三月三十一日止年度之本公司年報所述，本集團作出350,000,000港元撥備，乃出售本集團於REXCAPITAL Infrastructure Limited已發行股份之87.5%權益而尚未收回之代價。撥備金額已於截至二零零五年三月三十一日止年度全數撇銷，於中期報告所覆蓋期間對本公司並無財政影響。

融資策略及外匯風險

為控制不明朗市況所涉及之風險，本集團之融資策略在於盡量使用股本作為長期投資所需資金。

由於本集團業務交易主要以港元進行，本集團面對之外匯風險非常有限。

Share Capital Structure

In June 2005, the Company issued up to a maximum of 550,000,000 listed warrants by way of private placing at the issue price of HK\$0.046, each conferring the right to subscribe for one new share at the initial exercise price of HK\$0.116 up to an aggregate amount of HK\$63,800,000 at any time during the period from 4 July 2005 to 3 July 2007. No warrants have been exercised during the financial period.

Saved as the above, there was no change in the share capital structure of the Company during the period under review.

Material Acquisition and Disposal of Subsidiaries

In July 2005, the Company entered into a sale and purchase agreement with Multichannel Investments Limited. Pursuant to the agreement, the Company will acquire the entire issued share capital of Eaglefly for a total consideration of approximately HK\$123 million, which is to be satisfied partly by cash as to US\$3,145,000 (equivalent to approximately HK\$24,373,750) and the balance of HK\$99,000,000 by the issue of 600,000,000 shares of HK\$0.01 each in the capital of the Company at a price of HK\$0.165 each. Upon completion of the acquisition, Eaglefly will be a wholly-owned subsidiary of the Company. The Group, through Eaglefly, will hold a 51% equity interest in the Terra Solar Group. The Terra Solar Group is principally carrying on business in thin-film PV industry which, through its operating subsidiaries, uses proprietary technology to capture solar energy and convert it into electricity, the production and delivery of PV systems, production of PV components and the generation and sale of electricity from PV system. The transaction has not yet completed up to the date of this report.

Capital Commitment

In January 2004, the Group entered into a conditional sale and purchase agreement with REXCAPITAL Financial Holdings Limited regarding the acquisition of the entire issued share capital of REXCAPITAL Financial Group Limited ("RFG") at a consideration of HK\$229,000,000 subject to adjustment with reference to the unaudited consolidated net asset value of RFG and its subsidiaries (together the "RFG Group") as at determination date in accordance with the terms of the sales and purchase agreement. The RFG Group

股本結構

於二零零五年六月，本公司通過按發行價0.046港元進行私人配售發行最多550,000,000份上市認股權證，各賦予權利於二零零五年七月四日至二零零七年七月三日期間內任何時間按初步行使價0.116港元認購一股新股，最高認購額合共為63,800,000港元。於該財政期間概無認股權證獲行使。

除上文所述外，於回顧期內，本公司之股本結構並無變動。

重大收購及出售附屬公司

二零零五年七月，本公司與Multichannel Investments Limited訂立買賣協議。根據協議，本公司以總代價約123,000,000港元收購Eaglefly全部已發行股本，該代價之3,145,000美元（約相當於24,373,750港元）將以現金償付，餘額99,000,000港元則透過按每股0.165港元之價格發行600,000,000股本公司股本中每股面值0.01港元之股份償付。收購完成後，Eaglefly將成為本公司之全資附屬公司。本集團亦將透過Eaglefly持有Terra Solar集團51%權益。Terra Solar集團主要從事光伏薄膜行業，通過其經營附屬公司使用專利技術吸收，並將其轉化為電能，用於生產及交付光伏系統、生產光伏零件以及以光伏系統發電及銷售電力。於本報告日期，該交易尚未完成。

資本承擔

於二零零四年一月，本集團與御泰金融控股有限公司訂立有條件買賣協議，收購REXCAPITAL Financial Group Limited（「RFG」）全部已發行股本，代價為229,000,000港元，惟須根據買賣協議之條款按RFG及其附屬公司（統稱「RFG集團」）於釐定日期之未經審核綜合資產之淨值而調整。RFG集團主要業務為提供金融服務，包括經

is principally engaged in the provision of financial services including broking, securities margin financing and asset management. This transaction has been terminated on 6 May 2005 as the Group was not satisfied with the result of the due diligence review on the RFG Group.

In August 2005, the Company entered into an agreement with CTL to subscribe for 10% interest in CTL which is principally engaged in research and development of Chinese information infrastructure, including amongst other things, CCGE; V-Dragon series of CPU and solutions for related computer applications. The consideration for the subscription shall be the lower of HK\$73,500,000 or the 10% of the fair value of CTL stated in the valuation report to be issued by an independent professional consultant appointed by the Company, and will be satisfied by the issue of new shares of the Company at the price of HK\$0.15 per share.

Charges on the Group's Assets

As at 30 September 2005, the Group's trading security with market value of HK\$6,626,000 have been pledged to secure other loans granted to its subsidiary (31 March 2005: HK\$11,018,000).

Contingent Liabilities

As at 30 September 2005, the Group had no material contingent liabilities (31 March 2005: HK\$Nil).

Human Resources

As at 30 September 2005, the Group had 15 full time employees.

The Group remunerated its employees mainly based on the individual's performance and experience. Apart from the basic remuneration, discretionary bonus and share option may be granted to eligible employees by reference to the Group's performance as well as individual's performance.

紀業務、證券孖展融資服務以及資產管理。由於本集團不信納RFG集團之盡職審查報告結果，故此項交易已於二零零五年五月六日終止。

於二零零五年八月，本公司與文化傳信科技訂立協議，認購文化傳信科技之10%權益，該公司主要從事中文資訊基建研究及開發業務，其中包括CCGE、V-Dragon CPU系列及有關電腦應用程式之解決方案。認購代價為73,500,000港元或本公司委任之獨立專業顧問發佈之文化傳信科技公平值之10%之較低者，並將透過按每股0.15港元之價格發行本公司之新股償付。

本集團之資產抵押

於二零零五年九月三十日，本集團市值約6,626,000港元之交易證券已作抵押，以獲取授予其附屬公司之其他貸款（二零零五年三月三十一日：11,018,000港元）。

或然負債

於二零零五年九月三十日，本集團並無任何重大或然負債（二零零五年三月三十一日：零港元）。

人力資源

於二零零五年九月三十日，本集團共有15名全職僱員。

本集團主要按個別員工之表現及經驗釐定員工薪酬。除基本薪酬外，本集團亦會按本集團業績及個別員工之表現向合資格僱員發放不定額花紅及購股權。

Management Discussion and Analysis (continued)

管理層討論及分析 (續)

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

As at 30 September 2005, the interests or short positions of the Directors and chief executives in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Long Position in the ordinary shares of HK\$0.01 each ("Shares") in the Company

董事及主要行政人員之權益

於二零零五年九月三十日，董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債權證中擁有根據證券及期貨條例第352條須記錄在本公司存置之名冊上之權益或淡倉，或根據上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益或淡倉如下：

於本公司每股0.01港元之普通股（「股份」）之好倉

Name 姓名	Number of Shares 股份數目	Type of interest 權益類別	Percentage of issued share capital 佔已發行股本百分比
Directors 董事			
Chan How Chung, Victor ("Mr Chan") 陳孝聰（「陳先生」）	689,060,662 (Note a) (附註a)	Interest in controlled corporations 受控制公司權益	25.03%
Seligman Pierre	24,700,000 (Note b) (附註b)	Beneficial owner 實益擁有人	0.90%
Lee Huei Lin ("Miss Lee") 李慧玲（「李小姐」）	2,700,000 (Note c) (附註c)	Beneficial owner 實益擁有人	0.10%
Chan Wai Kwong, Peter 陳為光	1,000,000 (Note d) (附註d)	Beneficial owner 實益擁有人	0.04%
Chu Chik Ming, Jack 朱植明	1,000,000 (Note e) (附註e)	Beneficial owner 實益擁有人	0.04%
Chief executive 主要行政人員			
Joseph Chou 周鳴岐	1,000,000 (Note f) (附註f)	Beneficial owner 實益擁有人	0.04%

Management Discussion and Analysis *(continued)*

管理層討論及分析 (續)

Notes:

- a. Of the 689,060,662 Shares beneficially owned by Mr Chan, 258,052,510 Shares and 360,000 Shares are held by Mega Market Assets Limited and Sino Success Development Corp. respectively, both of which are wholly owned by Mr Chan. The remaining 413,881,152 Shares and 16,767,000 Shares are held by RPI Holdings Limited and REXCAPITAL International Limited respectively. The issued share capital of RPI Holdings Limited is owned as to 75% by Mr Chan and as to 25% by Miss Lee. The issued share capital of REXCAPITAL International Limited is ultimately owned as to 75% by Mr Chan, as to 12.5% by Miss Lee and as to 12.5% by an independent third party.
- b. Mr Seligman Pierre is beneficially interested in 24,700,000 options granted by the Company.
- c. Miss Lee is beneficially interested in 2,700,000 options granted by the Company.
- d. Mr Chan Wai Kwong, Peter is beneficially interested in 1,000,000 options granted by the Company.
- e. Mr Chu Chik Ming, Jack is beneficially interested in 1,000,000 options granted by the Company.
- f. Mr Joseph Chou is beneficially interested in 1,000,000 options granted by the Company.

Save as disclosed above, as at 30 September 2005, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

附註：

- a. 由陳先生實益擁有之689,060,662股股份當中，258,052,510股及360,000股股份分別由陳先生全資擁有之公司Mega Market Assets Limited及Sino Success Development Corp.持有，其餘413,881,152股及16,767,000股股份，分別由RPI Holdings Limited及REXCAPITAL International Limited持有。RPI Holdings Limited之已發行股本由分別陳先生擁有75%權益及李小姐擁有25%權益。REXCAPITAL International Limited之已發行股本由陳先生擁有75%最終權益、李小姐擁有12.5%最終權益及一名獨立第三者擁有12.5%最終權益。
- b. Seligman Pierre先生實益擁有本公司授出之24,700,000份購股權之權益。
- c. 李小姐實益擁有本公司授出之2,700,000份購股權之權益。
- d. 陳為光先生實益擁有本公司授出之1,000,000份購股權之權益。
- e. 朱植明先生實益擁有本公司授出之1,000,000份購股權之權益。
- f. 周鳴岐先生實益擁有本公司授出之1,000,000份購股權之權益。

除上文所述者外，於二零零五年九月三十日，各董事或本公司主要行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債權證中擁有任何須記錄在根據證券及期貨條例第352條置存之名冊上之權益或淡倉或根據標準守則須知會本公司及聯交所之權益或淡倉。

Management Discussion and Analysis (continued)

管理層討論及分析 (續)

SHARE OPTIONS

The movements in the share options granted under the share option scheme adopted by the Company on 29 July 2002 (the "Scheme") during the six months ended 30 September 2005 are shown below:

購股權

於截至二零零五年九月三十日止六個月，根據本公司於二零零二年七月二十九日採納之購股權計劃（「該計劃」）授出購股權之變動如下：

Category of participant	Number of options				At 30 September 2005	Date of grant of options	Exercise price per share	Exercisable period
	At 31 March 2005	Granted during the period	Exercised during the period	Lapsed during the period				
參與人類別	於二零零五年三月三十一日	期內授出	期內行使	期內失效	於二零零五年九月三十日	授出日期	每股行使價 (HK\$)	可行使期間
Directors								
董事								
Seligman Pierre	23,100,000	-	-	-	23,100,000	25/11/2004	0.0880	20/12/2004 -19/12/2014
	-	1,600,000	-	-	1,600,000	22/6/2005	0.1660	27/6/2005 -26/6/2015
Lee Huei Lin	-	2,700,000	-	-	2,700,000	22/6/2005	0.1660	27/6/2005 -26/6/2015
李慧玲								
Chan Wai Kwong, Peter	-	1,000,000	-	-	1,000,000	22/6/2005	0.1660	27/6/2005 -26/6/2015
陳為光								
Chu Chik Ming, Jack	-	1,000,000	-	-	1,000,000	22/6/2005	0.1660	27/6/2005 -26/6/2015
朱植明								
Chief Executive								
主要行政人員								
Joseph Chou	-	1,000,000	-	-	1,000,000	22/6/2005	0.1660	27/6/2005 -26/6/2015
周鳴岐								
Total employees	-	34,700,000	-	-	34,700,000	22/6/2005	0.1660	27/6/2005 -26/6/2015
僱員合共								
Other eligible participants								
其他合資格參與人士								
	16,117,006	-	-	-	16,117,006	22/12/2003	0.1600	2/1/2004 - 1/1/2014
	62,300,000	-	-	-	62,300,000	25/11/2004	0.0880	20/12/2004 -19/12/2014
	-	54,000,000	-	-	54,000,000	22/6/2005	0.1660	27/6/2005 -26/6/2015
	-	179,200,000	-	-	179,200,000	22/6/2005	0.1660	20/7/2005 -19/7/2015
Total總數	<u>101,517,006</u>	<u>275,200,000</u>	<u>-</u>	<u>-</u>	<u>376,717,006</u>			

SHARE OPTIONS (continued)

During the six months ended 30 September 2005, 275,200,000 number of share options were granted under the Scheme. The closing price of the Shares on 21 June 2005, being the date immediately before the date of grant of such options was HK\$0.165. No options were exercised during the period. The fair value of options granted during the six months ended 31 September 2005 determined by an independent third party valuer using a binomial model was approximately HK\$24,049,000.

Key assumptions used in the valuation of the options granted on 22 June 2005 include a volatility of share price of 42.2% per annum, a risk-free rate of interest of 3.38% per annum on the date of grant and that the eligible participants will exercise their share options if the share price is 100% above the exercise price. The volatility rate is based on the historical volatility of the Company.

SHAREHOLDINGS OF OTHER SHAREHOLDERS WITH NOTIFIABLE INTERESTS

Save as disclosed in the section headed "Directors' and Chief Executives' Interests" above, the register required to be kept by the Company under Section 336 of the SFO shows that as at 30 September 2005, the Company had not been notified of any other person who had an interest or short position in the Shares or underlying shares of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company and its subsidiaries have not purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2005.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the directors. All directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the six months ended 30 September 2005.

購股權 (續)

於截至二零零五年九月三十日止六個月，在該計劃下授出之購股權為275,200,000股。於二零零五年六月二十一日，即緊接授出該等購股權當日之前一天，股份之收市價為0.165港元。期內概無購股權被行使。對於截至二零零五年九月三十日止六個月期間授出之購股權，由獨立第三方估值師使用二項式（「Binomial」）模式釐定之公平價值為24,049,000港元。

在對於二零零五年六月二十二日授出之購股權進行估值時使用之主要假設包括每年股價波幅為42.2%、於授出日期之無風險利率為每年3.38%，及倘股價高於行使價之100%，則合資格參與人士將行使其購股權。波幅乃根據本公司之歷史波幅計算。

須予披露權益之其他股東股權

除上文「董事及主要行政人員之權益」一節所披露者外，根據證券及期貨條例第336條本公司須備存之登記冊顯示，於二零零五年九月三十日，本公司並無獲知會有任何其他人士於本公司之股份或相關股份中擁有權益或淡倉。

購買、出售或贖回本公司上市證券

本公司及其附屬公司於截至二零零五年九月三十日止六個月概無購買、出售或贖回本公司之上市證券。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載之標準守則，作為董事進行證券交易之操守準則。全體董事經本公司特定查詢後確認，彼等於截至二零零五年九月三十日止六個月內一直遵守標準守則所載之規定標準。

Management Discussion and Analysis (continued)

管理層討論及分析 (續)

AUDIT COMMITTEE

The audit committee has reviewed and discussed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim account for the six months ended 30 September 2005.

REMUNERATION COMMITTEE

The remuneration committee of the Company was established, with specific terms of reference in compliance with the Code of Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The committee is responsible for making recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management and to determine the specific remuneration packages and conditions of employment for the directors.

CODE ON CORPORATE GOVERNANCE PRACTICES

None of the directors is aware of any information which would reasonably indicate that the Company is not, or was not, throughout the six months period, in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules, except that:

1. Code Provision A.4.1 requires that non-executive directors should be appointed for a specific term, subject to re-election. Currently the non-executive directors are not appointed for a specific term, but are subject to retirement by rotation at the Company's annual general meeting as specified in the Company's bye-laws.
2. The Company had not set up a remuneration committee pursuant to Code Provision B.1.1 of the Code during the six months period as the board of directors was responsible for reviewing and evaluating the remuneration package of the directors. However, a remuneration committee has subsequently been formed after the period end for the purpose of compliance with the Code Provision B.1.1.

By order of the Board

Chan How Chung, Victor
Chairman

Hong Kong, 20 December 2005

審核委員會

審核委員會已檢討及與管理層討論本集團採納之會計原則及慣例，並已就內部控制及財務申報事宜進行討論，包括審閱截至二零零五年九月三十日止六個月之未經審核中期賬目。

薪酬委員會

本公司已成立薪酬委員會，其職權範圍符合上市規則附錄十四所載之企業管治常規守則之規定。委員會負責就本公司董事及高級管理層之所有薪酬政策及架構向董事會作出建議，並釐定董事之特定薪酬安排與僱用條件。

企業管治常規守則

董事概不知悉任何資料，可合理顯示本公司於本六個月期間並未或曾經未有遵守上市規則附錄十四所載之企業管治常規守則，惟下列者除外：

1. 守則條文第A.4.1條要求非執行董事按特定任期委任，且可膺選連任。目前，非執行董事並無固定任期，惟須根據本公司細則在本公司之股東週年大會上輪值告退。
2. 於本六個月期間，本公司並未根據守則條文第B.1.1條成立薪酬委員會，而由董事會負責檢討及評估董事之薪酬安排。然而，本公司已於本期間結束後成立薪酬委員會，以符合守則條文第B.1.1條之規定。

承董事會命

主席
陳孝聰

香港，二零零五年十二月二十日